

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA)	
)	No. 1:13-CR-173-AJT
v.)	
)	Conspiracy to Commit Mail Fraud,
JASON S. SANT,)	Wire Fraud, and Bank Fraud
a/k/a "Jason Smith,")	(18 U.S.C. § 1349)
a/k/a "Jim Brick,")	
)	
Defendant.)	

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

1. From in or about May 2008 through at least in or about January 2013, within the Eastern District of Virginia and elsewhere, the defendant

JASON S. SANT, also known as "Jason Smith" and "Jim Brick," did knowingly and intentionally combine, conspire, confederate, and agree with Mark Farhood and others known and unknown to commit certain offenses against the United States, namely:

a. mail fraud, that is, to knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, to knowingly cause to be delivered by the United States mail and commercial interstate carriers, according to the directions thereon, any matters and things, in violation of Title 18, United States Code, Section 1341;

b. wire fraud, that is, to knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and

fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to knowingly transmit and cause to be transmitted by means of wire communications in interstate commerce, any writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343; and,

c. bank fraud, that is, to knowingly and intentionally execute, and attempt to execute, a scheme and artifice to defraud financial institutions by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

2. The primary purpose of the conspiracy was to gain control of residential properties from distressed homeowners by way of false and fraudulent representations, to defraud financial institution lenders into delaying foreclosure of the mortgages on these properties, and to profit, in the meantime, through the collection of rental payments on the properties.

3. SANT, Farhood, and their co-conspirators employed various manners and means in furtherance of the conspiracy, including but not limited to the following:

a. SANT and Farhood co-owned and operated a business that went by various names, including Home Advocate Trustees, Walk Away Today, First Equity Trustees, Home Security Consultants, Sell Fast USA, Short Sale Buyer, USA Sell House Fast, USA Rental Housing, Volcanic Marketing, MSI Properties LLC, and DSDG Trustees LLC (collectively, hereafter HAT).

b. SANT ran HAT from his residence in Florida, and communicated with co-conspirators and other HAT employees via email and internet-based audio-only telephone services.

c. SANT functioned as the marketing and sales manager for HAT, opened and managed HAT bank accounts, was involved in renting properties controlled by HAT, and was, along with Farhood, involved in managing HAT's employees on a day-to-day basis.

d. When conducting HAT business, SANT and his co-conspirators used aliases and avoided face-to-face meetings in order to conceal their identities.

e. SANT and his co-conspirators marketed HAT to distressed homeowners nationwide, including within the Eastern District of Virginia, as purportedly providing a program whereby homeowners could sell their properties to HAT for a nominal fee, cease paying their mortgage payments, and walk away from their homes and their mortgages without negative effects on their credit.

f. Through their sales staff and web sites, including walkawaytoday.org, SANT and his co-conspirators falsely represented to prospective participants that (a) HAT was in the business of purchasing mortgaged homes and then negotiating with lenders to purchase the mortgage notes for pennies on the dollar, (b) HAT had a 90% success rate in purchasing such mortgage notes, (c) HAT had a special working relationship with mortgage lenders that facilitated these transactions, (d) HAT was the nation's largest volume buyer of short sale and over-leveraged real estate, (e) HAT had been in business for seventeen years, and (f) HAT had brick and mortar offices in the state of Washington.

g. To further make HAT appear legitimate, SANT and his co-conspirators caused HAT web sites to list addresses for the company that were either fake, rent by the hour offices, or mail drops, and fake names and pictures for the company's senior

executives—which pictures were taken from other, unrelated web sites without the pictured individuals’ knowledge or consent.

h. To make HAT’s program appear legitimate and cause homeowners to believe they were truly selling their homes to the company, SANT and his co-conspirators sent and caused HAT employees to send by e-mail to prospective customers, including within the Eastern District of Virginia, documents related to the sale of their properties to HAT, which documents HAT instructed homeowners to complete and send by commercial interstate carrier back to HAT at an address in California.

i. To complete HAT’s purported purchases of these properties, SANT and his co-conspirators sent and caused HAT employees to send to homeowners, including within the Eastern District of Virginia, by U.S. Mail executed closing documents, including HUD-1 settlement statements, purchase agreements, and deeds, along with \$10 checks, which were intended to represent the consideration paid by HAT for the participants’ homes.

j. As part of the process of selling their homes to HAT, SANT and his co-conspirators caused homeowners, including within the Eastern District of Virginia, to execute quit claim deeds in favor of HAT, which usually were not recorded in local land records, and third-party authorization forms, which allowed HAT employees to communicate with mortgage lenders regarding the homeowners’ loans.

k. SANT and his co-conspirators communicated and caused HAT employees to communicate with homeowners, including within the Eastern District of Virginia, via e-mail regarding the status of their applications to participate in the HAT program and the status of the “sales” of their homes to HAT.

l. SANT and his co-conspirators caused homeowners participating in the HAT program to surrender possession of their properties to HAT and cease paying their mortgage payments, by falsely representing to them that their houses had been sold to HAT.

m. SANT and his co-conspirators caused participating homeowners to consult HAT web sites regarding the supposed status of HAT's negotiations with their lenders, which was intended to make the homeowners believe HAT's program was legitimate and that the company was actually negotiating with lenders for the purchase of mortgage notes.

n. SANT and his co-conspirators submitted and caused the submission of false and fraudulent loan modification applications, including fraudulent supporting documentation, under the U.S. Treasury Department's Making Home Affordable Program to financial institution mortgage lenders via fax and U.S. mail, which had the effect of stalling foreclosure on the mortgages on the properties, even though no mortgage payments were being made.

o. SANT and his co-conspirators caused HAT to advertise the properties for rent on various web sites, including craigslist.com, and represented to prospective tenants that they were a property management company, including by using the name USA Rental Housing, seeking to rent the properties.

p. SANT and his co-conspirators caused HAT to enter into leases with tenants and collect security deposits, and failed to inform the tenants that no mortgage payments were being made on the properties and that the properties were subject to foreclosure.

q. SANT and his co-conspirators caused tenants to send HAT via email and fax, including from within the Eastern District of Virginia, executed leases for the properties, and caused them to remit to HAT monthly rental payments on the properties via checks sent by U.S. mail and automatic electronic withdrawal via ACH services contracted by HAT.

r. SANT and his co-conspirators negotiated with no lenders to purchase the homeowners' mortgage notes, and the lenders ultimately rejected the fraudulent loan modification applications and foreclosed on the properties, resulting in negative effects on the homeowners' credit and eviction of the tenants.

(In violation of Title 18, United States Code, Section 1349.)

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By:



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